

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	
)	
1998 Biennial Regulatory Review – Streamlined)	
Contributor Reporting Requirements Associated)	CC Docket No. 98-171
with Administration of Telecommunications)	
Relay Service, North American Numbering Plan,)	
Local Number Portability, and Universal Service)	
Support Mechanisms)	
)	
Telecommunications Services for Individuals)	CC Docket No. 90-571
with Hearing and Speech Disabilities, and the)	
Americans with Disabilities Act of 1990)	
)	
Administration of the North American)	CC Docket No. 92-237
Numbering Plan and North American)	NSD File No. L-00-72
Numbering Plan Cost Recovery Contribution)	
Factor and Fund Size)	
)	
Number Resource Optimization)	CC Docket No. 99-200
)	
Telephone Number Portability)	CC Docket No. 95-116
)	
Truth-in-Billing and Billing Format)	CC Docket No. 98-170

REPLY TO PETITION FOR INTERIM WAIVER

Through the undersigned and pursuant to Section 1.45 of the rules of the Federal Communications Commission (FCC),¹ the United States Telecom Association (USTA)² hereby submits its reply to the Petition for Interim Waiver (Waiver Petition) filed jointly by the National

¹ 47 C.F.R. §1.45.

² USTA is the Nation's oldest trade organization for the local exchange carrier industry. USTA's carrier members provide a full array of voice, data, and video services over wireline and wireless networks.

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Exchange Carrier Association, Inc., the National Telecommunications Cooperative Association, and the Organization for the Promotion and Advancement of Small Telecommunications Companies (Petitioners) in the above-referenced proceeding.

Petitioners requested an interim waiver of what has been referred to as “the no-averaging rule”³ recently adopted in the FCC’s Report and Order and Second Further Notice of Proposed Rulemaking (the Order).⁴ Specifically, Petitioners requested (1) that the FCC allow averaging among multi-line business customers for the reductions in the universal service charges to customers of Centrex service, as permitted under the equivalency ratio provided for in the FCC’s rules,⁵ and (2) that it allow averaging within a class of customers for certain incidental interstate charges that are incurred by only some customers, such as presubscribed interexchange carrier (PIC) change charges and presubscribed interexchange carrier charges (PICCs)), pending FCC action on petitions seeking reconsideration of the relevant portions of the Order.

USTA supports the relief requested in the Waiver Petition, pending the FCC’s action on the Petition of the United States Telecom Association for Partial Reconsideration and

³ 47 C.F.R. §54.712(a) . The no-averaging rule prohibits carriers from imposing federal universal service contribution recovery charges that exceed the amount of an end user’s interstate charges times the relevant FCC contribution factor.

⁴ *Federal-State Joint Board on Universal Service; 1998 Biennial Regulatory Review – Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms; Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990; Administration of the North American Numbering Plan and North American Numberings Plan Cost Recovery Contribution Factor and Fund Size; Number Resource Optimization; Telephone Number Portability; Truth-in-Billing and Billing Format*, Report and Order and Second Further Notice of Proposed Rulemaking, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170, NSD File No. L-00-72 (rel. Dec. 13, 2002) (Order).

⁵ 47 C.F.R. §54.158.

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Clarification (USTA Petition).⁶ The relief requested in the Waiver Petition comports with the relief requested in the USTA Petition. As USTA has explained, the Order could be interpreted to require carriers either to charge Centrex customers a full universal service contribution for each Centrex line or forgo recovery of contributions if they elect to continue to charge Centrex customers based on the equivalency ratio, which nullifies the FCC's long-standing policy of treating Centrex service on a regulatory parity basis to PBX service.⁷ Petitioners are requesting simply that the FCC continue to apply the Centrex equivalency rule to its interim universal service contribution methodology as it clearly contemplates continuing such policy for the long-term, connections-based contribution-based methodologies it is considering and might adopt in the universal service contributions proceeding.

USTA also agrees with Petitioners that averaging should be permitted over a customer class to recover universal service contributions resulting from certain interstate charges, such as PIC and PCCC, when billing systems are unable to identify these charges on a customer-specific basis and cannot add the appropriate increment to these charges to recover the universal service contribution amount.⁸ If the FCC were to allow the amounts that would otherwise apply to individual customers to continue to be averaged and added to the factor that is billed to all customers within a given customer class in a state, local exchange carriers would be able to recover their universal service fund assessment on these interstate charges.

⁶*Federal-State Joint Board on Universal Service*, Petition of the United States Telecom Association for Partial Reconsideration and Clarification, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170, NSD File No. L-00-72 (Jan. 29, 2003) (USTA Petition).

⁷ USTA Petition at 4, 9-12. Using the equivalency ratio, carriers may apply a universal service contribution charge at one-ninth of the rate assessed on trunks so that Centrex customers are treated similarly to PBX customers.

⁸ USTA Petition at 12-13.

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Based on the reasons above and on the fact that no oppositions were filed to the
Petitioner's request for interim relief, USTA urges the FCC to grant the request.

Respectfully submitted,

UNITED STATES TELECOM ASSOCIATION



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CERTIFICATE OF SERVICE

I hereby certify that a copy of USTA's Reply to Oppositions to and Comments on Petition for Interim Waiver was served on this 17th day of March 2003 by electronic delivery or first class, postage prepaid mail to the persons listed below.



By: _____
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